

Prepared By:
City of Port St. Lucie
City Attorney's Office
121 SW Port St. Lucie Blvd
Port St. Lucie, FL 34984

**IMPACT FEE MITIGATION AGREEMENT BETWEEN CITY OF PORT ST. LUCIE
AND COSTCO WHOLESALE CORPORATION FOR COSTCO DEPOT PHASE 2
EXPANSION.**

THIS IMPACT FEE MITIGATION AGREEMENT ("Agreement") is executed as of the ____ day of _____ 2025, by and among the City of Port St. Lucie, a Florida municipal corporation (the "City") and Costco Wholesale Corporation, a Washington corporation (the "Company").

WITNESSETH:

WHEREAS, it is the policy of the City to stimulate economic growth in the City of Port St. Lucie by attracting new businesses to the City of Port St. Lucie or by encouraging the expansion of existing businesses within the City of Port St. Lucie, or a combination thereof; and

WHEREAS, the creation of new employment opportunities for citizens of the City of Port St. Lucie and the increased tax revenues resulting from such business expansion or relocation within the City of Port St. Lucie is beneficial to the local economy and enhances the health, safety, and welfare of its citizens; and

WHEREAS, pursuant to Chapter 159, Article V of the City of Port St. Lucie Code of Ordinances ("City's Code of Ordinances"), a copy of which is attached hereto and incorporated into this Agreement as **Exhibit "A,"** the City has established an Economic Development Impact Fee Mitigation Program for certain qualified target businesses in order to mitigate any real or perceived disadvantage occurring from the imposition of impact fees and to create permanent employment expansion opportunities for City citizens; and

WHEREAS, the Company, currently a multinational distributor of a variety of consumer products, was established in 1983, and employs more than 300,000 employees globally, as well as management level executives; and

WHEREAS, the Company intends to build an additional approximately 1,000,000 square foot distribution and logistics facility, for storage of larger items, on an approximate 200 acre parcel of land owned by the Company in Legacy Distribution Park at Tradition located in the Tradition Commerce Park within the City of Port St. Lucie (the "Project") legally described on

Exhibit "B"; and

WHEREAS, the Company has committed to expand its qualified target industry business in the City of Port St. Lucie as evidenced by the Impact Fee Mitigation Application submitted to the City; and

WHEREAS, as a result of the above-referenced Project, the Company will create new jobs in Port St. Lucie meeting the threshold requirements set forth in section 159.504(A)(1)(4) of the City's Code of Ordinances and remain in the City for a period of at least ten (10) years while maintaining certain job creation and salary commitments if the City provides to the Company an Economic Development Impact Fee Waiver; and

WHEREAS, the City and the Company desire to enter into this Agreement whereby the Company agreed to create one hundred and fifteen (115) new jobs in Port St. Lucie meeting the threshold requirements set forth in section 159.504(A)(1)(4) of the City's Code of Ordinance and remain in the City for a period of at least ten (10) years while maintaining certain job creation and salary commitments in exchange for an Economic Development Impact Fee Waiver. The Company anticipates the Project will create a total of 115 jobs; and

WHEREAS, the employment schedule (cumulative) for the new jobs is as follows:

Year 1 – 85 total new jobs

Year 2 - 100 total new jobs (including new jobs generated in Year 1)

Year 3 – 115 total new jobs (including new jobs generated in Years 1-2); and

WHEREAS, the Company will be required to pay City impact fees in conjunction with the issuance of the building permits for the Project; and

WHEREAS, the Company has been determined to be eligible to receive an Economic Development Impact Fee Waiver pursuant to section 159.504(A)(1)(4) of the City's Code of Ordinances by the City Manager and receive the waiver set forth in section 159.506(A)(1) of the City's Code of Ordinances; and

WHEREAS, the Company acknowledges that this Agreement shall be contingent upon the Company meeting the performance requirements as outlined in this Agreement; and

WHEREAS, the City finds and declares that it is in the public interest to award an Economic Development Impact Fee waiver in conjunction with the Company's agreement to create new jobs in the City of Port St. Lucie, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenant herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the City and Company hereby agree as follows:

1. **Recitals.** The foregoing recitals are true and correct hereby incorporated as forming the intent and purpose of this Agreement.
2. **Impact Fee Waiver.** Pursuant to the City of Port St. Lucie's Economic Development Impact Fee Mitigation Program and the Florida Statutes, the Company, is entitled to a waiver of up to \$402,500 in Port St. Lucie City mobility, parks, public buildings and law enforcement impact fees for the Project ("Impact Fees"), based upon the Company's commitment to create one hundred and fifteen (115) new jobs meeting the threshold requirements set forth in section 159.504(A)(1)(4) of the City's Code of Ordinances (115 new jobs multiplied by \$3,500.00 for each new job per section 159.506(A)(1) of the City's Code of Ordinances). The impact fee waiver is limited to \$402,500, and the Company will be required to pay any City impact fees exceeding the \$402,500 City impact fee waiver. The impact fee waiver is limited only to the Project as described herein, and approved by Site Plan P23-168-A3 and located on the Property. If the initial impact fees paid are less than the approved amount, the remaining balance will not be applied to future impact fees. The Company will be required to apply for an impact fee mitigation for any amendments expanding the Site Plan that require additional impact fee payments.
3. **Term.** This Agreement shall take effect upon execution by all parties and shall continue for a period of ten (10) years from the date of issuance of the certificate of occupancy for the Project, subject to the Company's compliance with the provisions of 159.504(A)(1),(4) of the City's Code of Ordinances and this Agreement.
4. **Performance Standards.** The Company shall provide the City with the following information on an annual basis by February 15 each year following the first full calendar year following the issuance of the certificate of occupancy for the Project ("Year 1") and throughout the remainder of the term of this Agreement to confirm that the job creation and salary level commitments ("Performance Standards") have been achieved (the employment schedule for the new jobs is Year 1 – 85 total new jobs, Year 2 – 100 total new jobs (including new jobs generated in Year 1) and Year 3 – 115 total new jobs (including new jobs generated in Years 1 and 2) for the Project as set forth in this Agreement and section 159.504(A)(1),(4) of the City's Code of Ordinances:

a. A report in the form attached hereto as **Exhibit "C"** based on the information

- contained in the Company's quarterly reports (Form RT-6) ; and.
 - b. Total gross hours worked and total gross wages for all employees working out of the Project; and.
 - c. Total gross hours worked and total gross wages for top two wages earners working out of the Project. For purposes of this Agreement, "gross wages" shall include those gross wages as reported on the State of Florida's Employer's Quarterly Report (Form RT-6).
5. **Criteria for Measuring Adequate Performance.** "New jobs" shall include salaried and hourly employees and shall be calculated by total payroll hours per year divided by 1820 (which represents 52 weeks multiplied by 35 hours), created as a result of the Project. New jobs may include positions obtained from a temporary employment agency or employee leasing company, through a union agreement, or co-employment under a professional employer organization agreement that result directly from the Project. New Jobs shall not include temporary or seasonal jobs associated with cyclical business activities, or to substitute permanent employees on a leave of absence, or temporary construction jobs related to the Project. In tabulating hours worked, any paid leave an employee takes during the pay period, such as vacation or sick leave, may be included.
6. **Consequences for Nonperformance.** In the event the Company fails to meet the required Performance Standards set forth in this Agreement for any year during the ten (10) year period following the issuance of the certificate of occupancy for the Project, the Company shall be required to pay the waived impact fees on a pro rata basis for each year or partial year it is out of compliance. For example, if the Company fails to meet an employment goal during one (1) year in the ten (10) year period, the yearly prorated amount to be repaid would be \$50,000 if the total impact fees mitigated by the City were \$500,000. Should the Company be in default of this Agreement and the default is not cured within thirty (30) days after written notice to the Company, the City may bring a civil action to enforce this Agreement. Notwithstanding anything to the contrary in this Agreement, the Company shall not be liable for: (a) any indirect, reliance, exemplary, incidental, speculative, punitive, special, consequential or similar damages that may arise in connection with this Agreement, (b) any lost or foregone tax revenues, or (c) any damages, liabilities, fees, costs, expenses, penalties, diminishments in value, losses or payments (including any lost or foregone tax revenues) that exceed, in the aggregate, the maximum value of the impact fee waiver actually realized by the Company pursuant to this Agreement.
7. **Limitation of Waiver and Assignability.** The waiver established by this Agreement is applicable only to the Project as described herein, and approved by Site Plan 223 168-A3 and located on the Property. The waiver is not transferable to any other

property owned by the Company in the City of Port St. Lucie and shall not be transferable as a waiver for impact fees that are not specifically set forth in this Agreement. However, the Company may assign all or part of the waiver provided in this Agreement without the City's consent to an Affiliate or a successor in title and interest to the Property, provided that the Affiliate or successor in title and interest agrees to assume the obligations of the Company to the City under this Agreement. Any other assignment will not be effective without the written consent of the City, which consent will not be unreasonably withheld. Such assignment will be deemed approved within fifteen (15) days of written notice to the City of the proposed assignment, unless the City provides its reasonable objection in writing to the Company within that time period. A copy of the assignment shall be provided by the Company to the City, at the address set forth in this Agreement, and the original assignment shall be recorded in the public records of St. Lucie County, Florida. For purposes of this section, an "Affiliate" means any entity that directly or indirectly controls, or is controlled by, or is under common control with the Company.

8. **Binding Effect.** This Agreement shall be binding upon the parties to this Agreement and their respective heirs, personal representatives, successors and assigns. In the case of sale or transfer of the Property or Project or a portion of the Property or Project, the Company shall remain liable for the impact fees waived until the Performance Standards set forth in this Agreement are satisfied or until the impact fees are paid in full. In addition, this Agreement shall run with the land described in **Exhibit "B"** and shall remain an encumbrance on the Property until the provisions set forth in this Agreement are satisfied.
9. **Release of Encumbrance.** Upon satisfactory completion of the Performance Standards set forth in this Agreement and ten (10) years after the date of the issuance of the certificate of occupancy for the Project, or upon payment of the waived impact fees, the City shall, at the expense of the City, record any necessary documentation evidencing the termination of the impact fee waiver encumbrance, including, but not limited to, a release of the encumbrance, and lien if any.
10. **Recordability of Agreement.** This Agreement shall be recorded by the Company at the expense of the Company in the Official Records of St. Lucie, Florida, within fifteen (15) days after execution of this Agreement by all parties.
11. **Notices.** All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been delivered and given for all purposes, whether or not the same is actually received, if sent by express overnight courier with a reliable system for tracking delivery, and addressed to the parties at the following addresses:

To the City:
City Manager
121 Port St. Lucie Blvd
Port St. Lucie, FL 34984
(772) 873-6374

With a Copy to:
City Attorney
121 SW Port St. Lucie Blvd.
Port St. Lucie, FL 34984
(772) 871-5294

To the Company:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027
Attn: Legal Dept. / Legal Real Estate Management
Re: Port St. Lucie, FL (Location #)

With a Copy to:

Amall Golden Gregory LLP
171 17th Street NW, Suite 2100
Atlanta, GA 30363
Attn: Andrew J. Schutt, Esq.

or to such address as the parties may from time to time specify by writing. Any such notice may at any time be waived by the person entitled to receipt of such notice.

12. **Headings.** The headings contained in this Agreement are for convenience of reference only and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.
13. **Pronouns.** In this Agreement, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, wherever it appears appropriate from the context.
14. **Survival.** All covenants, agreements, representations and warranties made in this Agreement shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
15. **Waivers.** Any waiver issued by City of any provision of this Agreement shall only be effective if issued in writing by City, and shall be specific, only to the particular matter concerned, and shall not apply to any other matters. Any party's failure to enforce

strict performance of any covenant, term, condition, promise, agreement or undertaking set forth in this Agreement shall not be construed as a future waive or relinquishment of any other covenant, term, condition, promise, agreement or undertaking set forth in this Agreement, or waiver or relinquishment of any other covenant, term, condition, promise, agreement or undertaking at any time in the future.

16. **Mediation.** In the event of a dispute between the parties in connection with this Agreement, the parties agree to submit the disputed issues to a mediator for non-binding mediation prior to filing a lawsuit. The parties shall agree on a mediator chosen from a list of certified mediators available from the Clerk of Court for St. Lucie County. The fee of the mediator shall be shared equally by the parties.

17. **Governing Law and Venue.** This Agreement shall be construed and interpreted, and the rights of the parties hereto determined, in accordance with Florida law without regard to conflicts of law provisions. The parties agree that proper venue for any suit concerning this Agreement shall be the Federal District Court for the Southern District of Florida, when the Federal Court has jurisdiction, and within the Nineteenth Judicial Circuit Court of Florida for any state claims. The Owner/Landlord and the Company agree to waive all defenses to any suit filed in Florida based upon improper venue or forum nonconveniens. TO ENCOURAGE PROMPT AND EQUITABLE RESOLUTION OF ANY LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY LITIGATION RELATED TO THIS AGREEMENT. This clause shall survive the expiration or termination of this Agreement.

18. **Force Majeure.** The Company will not be deemed to be in breach, default or otherwise in violation of any term of this Agreement to the extent that the Company's action, inaction or omission is the result of Force Majeure Event. The Company agrees to use commercially reasonable efforts to promptly resolve any Force Majeure Event that adversely and materially impacts its performance under this Agreement. A Force Majeure Event pauses the Company's performance obligation for the duration of the event but does not excuse it. "Force Majeure Event" means any event or occurrence that is not within the control of the Company and prevents the Company from performing its obligations under this Agreement, including without limitation, any act of God; act of a public enemy; war; riot; sabotage; blockage; embargo; failure or inability to secure materials, supplies or labor through ordinary sources by reason of shortages or priority; labor strike, lockout or other labor or industrial disturbance (whether or not on the part of agents or employees of either party); civil disturbance; terrorist act; ongoing power outage; fire, flood, windstorm, hurricane, earthquake or other casualty; any law, order, regulation or other action of any governing authority; any public health crisis

including, but not limited to, pandemics (including without limitation, COVID-19, as such crisis exists and is continuing from and after the date of this Agreement) and epidemics; any action, inaction, order, ruling, moratorium, regulation, statute, condition or other decision of any governmental agency having jurisdiction over the Company or the Company's operations. In the event that the Company claims a delay for a Force Majeure Event, it shall make a claim for an extension in writing to the City within 15 business days after becoming aware of the need for same as a result of the occurrence of a Force Majeure Event for which such claim is being made. The claim shall clearly state the reason, provide a detailed explanation given as to why the event is considered to be a Force Majeure Event and provide sufficient documentation to support such claim. If no written objection to such claim for extension is received from the City within 15 business days from the date of the written extension request, such extension shall be deemed given. If a written objection is made, the parties shall meet and confer within 15 business days to address their differences and may not take legal action or declare a default prior to such conferral taking place.

[SIGNATURES ON FOLLOWING PAGES]

CITY OF PORT ST. LUCIE

Witness

Print Name: _____

By: _____

Jesus Merejo
City Manager

Witness

Print Name: _____

STATE OF FLORIDA)
COUNTY OF ST. LUCIE)

The foregoing instrument was acknowledged before me **by means of** ☐ **physical presence or** ☐ **online notarization**, on this _____ day of _____, 2025, by Jesus Merejo, the City Manager of the City of Port St. Lucie, a Florida municipality. He is personally known to me.

Notary Public

Typed printed or stamped name of Notary Public

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

Richard Berrios
City Attorney

COSTCO WHOLESALE COMPANY *BC*

By: *Rainey Astin*
Print Name: *Rainey Astin*

[Signature]
Witness
Print Name: *Gregory Capone*

[Signature]
Witness
Print Name: *Daniel Rosas*

STATE OF *Virginia*)
COUNTY OF *London*)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, on this *7* day of *April*, 2021, by *Rainey Astin* as _____ for Costco Wholesale Corporation, a Washington corporation who is either personally known to me ☐ or has produced his or her driver's license as identification.



Caroline Amireh
Notary Public
Caroline Amireh
Typed printed or stamped name of Notary Public

EXHIBIT "A"
Section 24-1, St. Lucie County Code of Ordinances

Sec. 24-1. - Economic development impact fee mitigation program.

(a) For the purpose of this section, the term "qualified target industry business" shall mean a new or expanding business in the county that has a positive economic and fiscal impact on the county and meets the requirements of F.S. § 288.106, or its statutory successor in function, as a qualified target industry business. For the purpose of this section, the term "applicant" shall include any person, company, research institute or business park developer that will house qualified target industry businesses.

(b) For the purposes of this section, the term "locally owned and operated small business" shall mean a target industry continually operated in St. Lucie County for at least three years which is owned and operated by a St. Lucie, Martin, Indian River or Okeechobee County resident whose homestead is located in St. Lucie, Martin, Indian River, Okeechobee County, and which employs 50 or fewer employees.

(c) Because the imposition of the impact fees herein may place the county in a non-competitive position with other local governments that have chosen not to require growth to pay its fair share of needed capital facilities, thus hindering efforts by the county and the community to encourage economic development opportunities within the county and to create permanent employment expansion opportunities for the county's citizens, there is hereby created an economic development impact fee mitigation program for certain qualified target industry businesses to mitigate any real or perceived disadvantage occurring from the imposition of the impact fees.

(d) This program is not intended as an entitlement program. The program is intended to provide the board of county commissioners the opportunity, in its sole discretion, to grant impact fee mitigation to qualified target industry businesses.

(e) To be eligible for an economic development impact fee waiver, an applicant must meet the following requirements:

(1) Qualify as a qualified target industry business and create a minimum of ten new jobs or a ten percent increase in existing employment (whichever is greater) with an average private sector wage (excluding benefits) of at least 107 percent of the county's average private sector wage (excluding the top two executive salaries) and provide a benefit package that includes health insurance and remain in the county for a minimum of ten years; or

(2) Qualify as a qualified target industry business and create a minimum of ten new jobs or a ten percent increase in existing employment (whichever is greater) with an average private sector wage (excluding benefits) of 100 percent of the county's average private sector wage (excluding the top two executive salaries) and make a capital investment in the county of \$10,000,000.00 or greater in construction, renovations, equipment purchases, or other major capital investment items and remain in the county for a minimum of ten years; or

(3) Qualify as a locally owned and operated small business and create a minimum of ten new jobs with an average private sector wage (excluding benefits) of 100 percent of the county's average private sector wage (excluding the top two executive salaries)

and provide a benefit package that includes health insurance and remain in the county for a minimum of ten years; and

(4) Enter into an agreement with the county wherein the applicant agrees to locate or expand its business operations to/within the county for a period of at least ten years. The agreement will also require the applicant to provide the county with the applicant's quarterly report (UCT-6) and all other documentation to demonstrate that the job creation and salary level commitments were achieved.

(f) Any applicant seeking an economic development impact fee waiver shall file an application for waiver with the county administrator prior to the issuance of the building permit for the subject capital facilities impact construction. The application shall contain:

(1) A designation of the capital facilities impact construction for which the application is being submitted, including a current and complete legal description of the property upon which the qualified target industry business is proposed to be located;

(2) The name and address of the owner of the property upon which the qualified target industry business is proposed to be located;

(3) Proof that the capital facilities impact construction will be a qualified target industry business;

(4) A notarized affidavit and all necessary supporting evidence affirming that the applicable requirements of subsection (e) of this section will be met within one year of the date the certificate of occupancy is issued which term may be extended by the board of county commissioners upon good cause shown; and

(5) Other necessary information as determined by the county administrator.

(g) Any applicant who submits an application for economic development impact fee mitigation pursuant to this section and desires the immediate issuance of a building permit prior to approval of the application shall pay the impact fees imposed herein. Should the board of county commissioners approve and accept the mitigation application, the mitigation amount shall be refunded to the applicant or owner.

(h) If the applicant meets the requirements provided above for mitigation, the applicant shall be eligible for the following:

(1) If the applicant qualifies under subsection (e)(1) of this section, it shall be eligible to receive an economic development impact fee mitigation in the following amounts; provided, however, that the board may increase these waiver amounts in the event the applicant exceeds these requirements:

Number of Jobs Created	Percent of Average Private Sector Wage	Waiver Amount
Minimum of 10	107% plus benefits	\$3,500.00 per job created
Minimum of 10	150% plus benefits	\$5,000.00 per job created

Minimum of 10	200% plus benefits	\$7,500.00 per job created
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(2) If the applicant qualifies under subsection (e)(2) of this section, it shall be eligible to receive an economic development impact fee mitigation in the following amounts; provided, however, that the board may increase these mitigation amounts in the event the applicant exceeds these requirements:

Number of Jobs Created	Total Capital Investment	Waiver Amount
Minimum of 10	\$10,000,000.00 to \$14,999,999.99	40% of total county impact fees
Minimum of 10	\$15,000,000.00 to \$19,999,999.99	50% of total county impact fees
Minimum of 10	\$20,000,000.00 or more	60% of total county impact fees

(3) If the applicant qualifies under subsection (e)(3) of this section, it shall be eligible to receive an economic development impact fee mitigation in the following amounts; provided, however, that the board may increase these waiver amounts in the event the applicant exceeds these requirements:

Number of Jobs Created	Percent of Average Private Sector Wage	Waiver Amount
Minimum of 10	100% plus benefits	\$3,500.00 per job created
Minimum of 10	140% plus benefits	\$5,000.00 per job created
Minimum of 10	185% plus benefits	\$7,500.00 per job created

(4) Each applicant shall only be eligible for mitigation under either subsection (e)(1), (e)(2) or (e)(3), but not in combination.

(i) If the county administrator finds that the applicant meets the requirements provided herein for mitigation, the county administrator shall agenda an impact fee mitigation agreement before the board of county commissioners, which shall contain, but not be limited to, the county impact fee mitigation application for qualified target industries and any other documents as requested by the county administrator. Because this program is not an entitlement program, the board may reject the request for mitigation without cause.

(j) Any incentive approved pursuant to the economic development impact fee mitigation program shall be paid from other legally available funds (other than impact fees).

(k) Any request for economic development impact fee mitigation must be submitted to the county by the applicant prior to the applicant deciding whether or not they will expand or locate in the county.

(Code 1982, § 1-7.55-1; Ord. No. 08-007, pt. A, 1-15-2008; Ord. No. 15-009, pt. A 7-21-2015)

Exhibit B

Legal Description

Lot 1, SOUTHERN GROVE PLAT NO. 45, according to the plat thereof recorded in Plat Book 121, Pages 3 through 6 inclusive, Public Records of Saint Lucie County, Florida.

Exhibit C
Form of Report

See attached.

AVERAGE WAGE CALCULATION WORKSHEET

Date: _____

Projects Name: _____

Site Address: _____

TOTALS BEFORE DEDUCTING THE TOP TWO EXECUTIVE WAGE EARNERS

Year(s) 4th Qtr	1 st Quarter Report	2nd Quarter Report	3rd Quarter Report	4th Quarter Report
Current # of Employees				
Baseline # of Employees				
Increased # of Employees				
Total Wages				
Total Hours Worked				
Average Hourly Wage				

Do not write below this line: Staff Use Only

Total FTEs

TOP TWO EXECUTIVE WAGE EARNERS

Names of Top Two Executives	1 st Quarter Report	2nd Quarter Report	3rd Quarter Report	4th Quarter Report
Hours				
Worked				
Wages				
Earned				

TOTALS MINUS THE TOP TWO EXECUTIVE WAGE EARNERS

	1 st Quarter Report	2nd Quarter Report	3rd Quarter Report	4th Quarter Report
Current # of Employees				
Baseline # of Employees				
Increased # of Employees				
Total Wages				
Total Hours Worked				
Average Hourly Wage				

Do not write below this line: Staff Use Only

Total FTEs